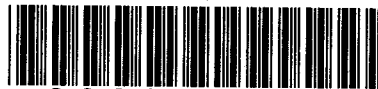


JIM IRVIN  
COMMISSIONER - CHAIRMAN  
RENZ D. JENNINGS  
COMMISSIONER  
CARL J. KUNASEK  
COMMISSIONER



ARIZONA CORPOI



0000158847

JACK ROSE  
EXECUTIVE SECRETARY

DATE: October 16, 1998  
DOCKET NO.: T-03560A-98-0250  
TO ALL PARTIES:

Enclosed please find the recommendation of Hearing Officer Jane L. Rodda. The recommendation has been filed in the form of an Order on:

COMCAST TELECOMMUNICATIONS, INC.  
(CC&N/RESELLER)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Hearing Officer by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

OCTOBER 26, 1998

The enclosed is NOT an order of the Commission, but a recommendation of the Hearing Officer to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

OCTOBER 27, 1998 AND OCTOBER 28, 1998

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250.

  
JACK ROSE  
EXECUTIVE SECRETARY

1                   **BEFORE THE ARIZONA CORPORATION COMMISSION**

2   JIM IRVIN  
3       COMMISSIONER - CHAIRMAN  
4   RENZ D. JENNINGS  
5       COMMISSIONER  
6   CARL J. KUNASEK  
7       COMMISSIONER

8   IN THE MATTER OF THE APPLICATION OF )  
9   COMCAST TELECOMMUNICATIONS, INC. )  
10   FOR A CERTIFICATE OF CONVENIENCE )  
11   AND NECESSITY TO PROVIDE )  
12   INTERLATA/INTRALATA RESOLD )  
13   TELECOMMUNICATIONS SERVICES )  
14   EXCEPT LOCAL EXCHANGE SERVICES. )

DOCKET NO. T-03560A-98-0250

DECISION NO. \_\_\_\_\_

**ORDER**

15   Open Meeting  
16   October 27 and 28, 1998  
17   Phoenix, Arizona

18   **BY THE COMMISSION:**

19       Having considered the entire record herein and being fully advised in the premises, the Arizona  
20   Corporation Commission ("Commission") finds, concludes, and orders that:

21                   **FINDINGS OF FACT**

22       1.   On May 13, 1998, Comcast Telecommunications, Inc. ("Applicant") filed with the  
23   Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide  
24   resold telecommunications service in the State of Arizona.

25       2.   In Decision No. 58926 (December 22, 1994), the Commission found that resold  
26   telecommunications providers ("resellers") were public service corporations subject to the jurisdiction  
27   of the Commission.

28       3.   In Decision No. 59124 (June 23, 1995), the Commission adopted A.A.C. R14-2-1101  
29   through R14-2-1115 to regulate resellers.

30       4.   Applicant is a Pennsylvania corporation that has been qualified to do business in Arizona  
31   since 1998.

32       5.   Applicant is a switchless reseller which currently purchases telecommunications services

1 from Worldcom.

2 6. On August 11, 1998, the Commission's Utilities Division Staff ("Staff") filed a Staff  
3 Report.  
4

5 7. The Staff Report stated that Applicant provided audited financial statements for the year  
6 ended December 31, 1997, that indicated Applicant had a net loss of \$229 million and a net worth  
7 of \$1.6 billion. Applicant is a publicly traded company. Staff believed that Applicant had sufficient  
8 financial resources to conduct its business in Arizona.

9 8. The Staff Report stated that Applicant has no market power and the reasonableness of  
10 its rates would be evaluated in a market with numerous competitors.  
11

12 9. Staff recommended that:

- 13 (a) Applicant's application for a Certificate should be approved subject to A.A.C. R14-2-  
14 1106.B;  
15 (b) Applicant's intrastate toll service offerings should be classified as competitive  
16 pursuant to A.A.C. R14-2-1108;  
17 (c) Applicant's competitive services should be priced at the effective rates set forth in  
18 Applicant's tariffs and the maximum rates for these services should be the maximum  
19 rates proposed by Applicant in its tariffs. The minimum rates for Applicant's  
20 competitive services should be Applicant's long run incremental costs of providing  
21 those services as set forth in A.A.C. R14-2-1109. Any future changes to the  
22 maximum rates in Applicant's tariffs must comply with A.A.C. R14-2-1110;  
23 (d) Applicant should be required to comply with the Commission's rules and modify  
24 its tariffs to conform with these rules, if it is determined that there is a conflict  
25 between Applicant's tariffs and the Commission's rules; and  
26 (e) The application may be approved without a hearing.

27 10. By Procedural Order dated August 27, 1998, the Commission set a deadline of October  
28 9, 1998, for filing exceptions to the Staff Report; requesting that a hearing be set; or requesting  
intervention as interested parties.

29 11. No exceptions were filed to the Staff Report, nor did any party request that a hearing  
be set, nor were any requests for intervention filed with Docket Control.

### 30 CONCLUSIONS OF LAW

31 1. Applicant is a public service corporation within the meaning of Article XV of the  
32 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

1           2.       The Commission has jurisdiction over Applicant and the subject matter of the  
2 application.

3           3.       Notice of the application was given in accordance with the law.

4           4.       The provision of competitive interLATA/intraLATA reseller services in Arizona by  
5 Applicant is in the public interest.

6           5.       Applicant is a fit and proper entity to receive a Certificate for providing competitive  
7 interLATA/intraLATA reseller services in Arizona.

8           6.       Staff's recommendations in Findings of Fact No. 9 are reasonable and should be  
9 adopted.

10                               ORDER

11           IT IS THEREFORE ORDERED that the application of Comcast Telecommunications, Inc.  
12 for a Certificate of Convenience and Necessity for authority to provide competitive  
13 interLATA/intraLATA resold telecommunications services except local exchange services shall be,  
14 and the same is, hereby granted.  
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1 IT IS FURTHER ORDERED that of Comcast Telecommunications, shall comply with the  
2 Staff recommendations set forth in Findings of Fact No. 9.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.  
5  
6

7 COMMISSIONER - CHAIRMAN COMMISSIONER COMMISSIONER

8  
9 IN WITNESS WHEREOF, I, JACK ROSE, Executive  
10 Secretary of the Arizona Corporation Commission, have  
11 hereunto set my hand and caused the official seal of the  
12 Commission to be affixed at the Capitol, in the City of Phoenix,  
13 this \_\_\_\_\_ day of \_\_\_\_\_, 1998.

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JACK ROSE  
EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_  
JR:bbs

SERVICE LIST FOR:

COMCAST TELECOMMUNICATIONS, INC.

DOCKET NO.

T-03560A-98-0250

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